

**MINUTES OF THE
CAPITAL FACILITIES & GOVERNMENT OPERATIONS
APPROPRIATIONS SUBCOMMITTEE MEETING
WEDNESDAY, FEBRUARY 3, 2010, 2:00 P.M.
Room 250 Capitol Building**

Members Present: Sen. Curtis Bramble, Co-Chair
Rep. Stephen Clark, Co-Chair
Sen. Wayne Niederhauser
Rep. Laura Black
Rep. Janice Fisher
Rep. Craig Frank
Rep. Gage Froerer
Rep. Fred Hunsaker

Member Excused: Sen. Brent Goodfellow

Member Absent: Rep. Brad Dee
Rep. Stephen Sandstrom

Staff Present: Richard Amon, Fiscal Analyst
Gary Ricks, Fiscal Analyst
Henry Liu, Committee Secretary

Speaker & Visitor List in Minutes Pack.

Co-Chair Bramble called the meeting to order at 2:30 p.m.

1. **Overview of Non-State Funded Capital Developments** - Analyst Rich Amon briefly highlighted that any project recommendation would be put a bill run by the co-chair of the committee under Revenue Bond and Capital Facilities.
2. **Alcoholic Beverage Control** - Jon Freeman and Dennis Kellen explained that there is an increase in liquor sales. ABC is requesting two stores, paid for out of liquor profits. The two stores are South/West Jordan Liquor Store and Salt Lake City East Side Liquor Store.
3. **Office of Rehabilitation** - Don Uchida presented the residential facility for the blind and visually impaired. The facilities are to train, educate and prepare the visually impaired for the working world and become self sufficient. This is estimated to create 60 new jobs.

Bill Gibson presented in detail the report for the facilities. The current office is located at Sky Harbor Apartments and has become increasingly hard to function due to limited space and increases in lease rates.

Two building are being requested at 4,000 sq. ft. for each proposal. The total of 8,000 sq. ft. will house 11 clients in each training facility. The amount of \$1.5 million has been committed from the State Office of Rehabilitation for the project.

4. **Southern Utah University** - Michael Benson, President of SUU proposed a building project on the grounds of SUU. The Southern Utah Museum of Art project is to compliment a growing campus/student body and the University's Higher Education program.

This is a \$10 million, 28,000 sq. ft. project all funded by private and non-state funds, with \$2 million in bonding from student fees. The request is for the approval of the project and O&M funding.

Sen. Bramble stated that legislative policy is to fund the O&M for building in the year they are approved. He asked how SUU planned to fund the O&M for the Art Museum given the tight budget year. President Benson stated that he could take part from other areas of his budget and he would entertain an additional student fee to cover part.

5. **Weber State University** - Kevin Hansen presented a request for Student Housing Revenue Bonds. Mr. Hansen explained that the student body is increasing from both local residents and international students.

There are 2 building on campus that will be demolished for new construction of the residence building. The plan, Mr. Hansen explained, is to demolish them one at a time to continue the cash flow as each of the buildings is completed.

The request will not require any state funding for the design, construction or operations during the life of these facilities. WSU seeks approval for revenue bonds of \$15 million to allow for construction.

6. **University of Utah** - Mike Perez introduced 6 projects for the University of Utah.

Ambulatory Care Complex, Mr. Perez explained the complex is composed of 4 facilities and associated parking. The estimated cost for the University's portion is \$119.5 million. There will be no state funds for the construction or the maintenance of the facility. The debt will be serviced by clinical operations.

Rep. Froerer asked whether construction in conjunction with University of Utah's medical school affects this project. Lorris Betz explained the Ambulatory Care Complex will be a training site that will assist medical students and facility at the medical school.

School of Dentistry, Mr. Betz explained the need for a dental facility within the University of Utah's system of Higher Education. Students admitted to study

dentistry at the University study for a year. Then half will transfer to another school in state and the other half transfer out of state to finish their degree.

The building will operate clinical and academic studies. The training environment will also provide federal care in the surrounding areas. The cost estimate of the project is \$37 million for 70,200 sq. ft. of space and government funds will be used in the construction of the building.

Henry Eyring Building South Addition - Dr. David Pershing explained that the current chemistry building allows for an addition, this addition is to house equipment and instruments. This 40,915 sq. ft. will allow for more classrooms, laboratory and faculty offices.

Sen. Bramble reiterated that the policy of the Legislature is to fund O&M at the time the project is approved. He asked how the University would fund O&M for the Eyring Building. Dr. Pershing responded that he would use money from existing budgets including federal funds to pay the O&M when the building is completed

University Guest House Expansion - Jerry Basford explained that the current guest house has 134 rooms and 6 conference rooms. Mr. Basford explained that because of the limited rooms, guests from the University, Hospital and annual events are being walked to another property or completely turned away.

The cost of the expanded 39,535 ft. guest house project is \$10 million.

Ambassador Building & Orthopaedic Center Revenue Bond - Gordon Crabtree requested authority to refinance the Ambassador Building & Orthopaedic Center by, combining the two projects into one \$37 million, 15-year bond. In doing so the organization receives a better rate on revenue bonds.

7. **Utah State University** - Dave Cowley, VP for Business and Finance & Darrell Hart Associate VP for facilities. Mr. Cowley explained three non-state funded requests, which are privately funded.

Brigham City Campus addition and renovation - Mr. Hart explained the renovation space for the campus would be 12,000 sq. ft., which would provide a new student center, study spaces and food center.

Botanical Center Classroom Building - Mr. Hart explained the Botanical Center would be in Kaysville Utah. At 79,000 sq. ft., the building will house classrooms of various sizes, a student lounge and faculty and staff offices. Estimated cost not including infrastructure will be \$3 million.

Art Barn Renovation and Addition - Mr. Hart acknowledged the historical significance of the building on campus. The building is in need of life safety upgrades, and currently has no fire suppression system; the heating system is inadequate; stairways are not covered creating a hazards; and bathrooms need renovations. The cost for the Art Barn renovation is \$2.5 million. Mr. Hart explained that if O&M is not funded the Art Barn project most likely will not go forward due the to the University's lack of funds.

The other two projects would most likely require an increase in student fees to cover the cost of O&M.

8. **Courts Lease - Purchase Request** - Alyn Lunceford requested from the subcommittee intent language to authorize Courts to enter a lease purchase agreement. This process will allow courts, after the lease to own the property.
9. **DFCM Property Issues** - John Nichols, Real estate and debt manager for DFCM presented issues relating to the sale of property. The Ogden five points liquor store is set to be sold, in the amount of \$145,000. Highland City purchase parcel of property for \$60,000. Finally a narrow strip of land, 35 ft in width will be sold to Utah County for the amount of \$330,000.

Mr. Nichols further outlined an easement grant for Rocky Mountain Power.

10. **Other Business** - Public speaker Samuel Lorn Jenkins spoke to the subcommittee about a particular building project.
Sen. Bramble directed Mr. Jenkins to speak with the representatives from the institution requesting the particular project.

MOTION: Rep. Fisher moved to adjourn.

Motion passed unanimously 8-0-2.

The meeting was adjourned 4:55 a.m. by Co-Chair Bramble.

The minutes were reported by Henry Liu Legislative Secretary.

Sen. Curtis Bramble _____ Rep. Stephen Clark _____